

## Message Text

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70

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 SP-03 AID-20 NSC-07 RSC-01

CIEP-03 SS-20 STR-08 OMB-01 CEA-02 CIAE-00 COME-00

FRB-03 INR-11 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01

H-03 L-03 PA-04 PRS-01 USIA-15 EA-11 DRC-01 /180 W

----- 059021

R 181551Z SEP 74

FM AMEMBASSY ROME

TO SECSTATE WASHDC 6965

TREASURY DEPARTMENT WASHDC

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AAMEMBASSY OTTAWA 1424

AMEMBASSY PARIS

USMISSION OECD PARIS

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: EFIN, IMF, IT

SUBJECT: RENEWAL OF GENERAL ARRANGEMENTS TO BORROW (BAB)

REF: ROME 12806

BOI VICE DIRECTOR GENERAL OSSOLA AND TREASURY MINISTRY

DIRECTOR GENERAL PALUMBO TOLD TREASATT SEPTEMBER 18

THAT MAIN POINTS AGREED TO RE GAB AT EC MONETARY

COMMITTEE MEETING SEPTEMBER 17 WERE FOLLOWING:

(A) THERE WAS GENERAL AGREEMENT TO SUBSTITUTE  
REFERENCES TO SDR'S IN LIEU OF GOLD IN GAB AGREEMENT.

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(US SUGGESTION OF ADDITIONAL REFERENCE TO POSSIBLE

PAYMENT IN CONVERTIBLE CURRENCIES IN PARA 9(C) WAS APPARENTLY NOT DISCUSSED SINCE OSSOLA DID NOT RECEIVE US COMMENTS PRIOR TO HIS DEPARTURE FOR EC MEETING.)

(B) INTEREST RATE ON GAB DRAWINGS SHOULD BE RAISED AT LEAST TO 5 PERCENT, WITH GERMANS AND DUTCH SUGGESTING LINK TO CURRENT MARKET RATES WHICH IMF WOULD LIKELY OPPOSE SINCE THESE WOULD EXCEED RATE NOW PAYABLE TO OIL PRODUCERS ON LOANS TO IMF FOR OIL FACILITY<sup>6</sup>.

(C) MEMBERSHIP IN GAB SHOULD NOT BE CHANGED AT PRESENT.

(D) IT IS ALREADY POSSIBLE FOR IMF TO BORROW IN CAPITAL MARKETS OF GAB MEMBERS AND QUESTION OF IMF BORROWING NEED NOT BE DISCUSSED IN LIMITED GAB FORUM. (OSSOLA WAS ENCOURAGED THAT US DID NOT SEEM TO BE REJECTING CONSIDERATIONS OF FUND BORROWING OUT-OF-HAND.)

(E) EC MEMBERS CONTEMPLATE THAT GAB WOULD BE AMENDED NOW RATHER THAN IN CONNECTION WITH RENEWAL WHICH DOES NOT FORMALLY TAKE PLACE UNTIL OCTOBER 1975.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CREDIT, LOANS, GAB AGREEMENTS, MONETARY GOLD  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 SEP 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974ROME12871  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740262-0169  
**From:** ROME  
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**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** ROME 12806  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 04 APR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <04 APR 2002 by collinp0>; APPROVED <03 JUL 2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** RENEWAL OF GENERAL ARRANGEMENTS TO BORROW (BAB)  
**TAGS:** EFIN, IT, IMF  
**To:** STATE TRSY  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005